

# FOREIGN POLICY ASSOCIATION

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*Fact data on international questions for reference use*

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## The Foreign Service of the United States

THE needs of the Foreign Service of the United States and the position it occupies in the conduct of American foreign relations have recently been the subject of widespread public discussion. The resignation of Mr. Allen W. Dulles, one of the younger Foreign Service officers of Class I, a few weeks ago, served to focus attention on the inadequate salaries prevailing in the service. Complaints have been heard on many sides that men of conspicuous ability are not being attracted to the service, and are even being forced out because of their inability to supplement their salaries from personal resources. Most of the higher posts in both the diplomatic and consular branches of the Foreign Service are still closed to career men who have not the advantage of large independent incomes.

More important, perhaps, is the fundamental question as to whether the Foreign Service should be professionalized by providing adequate financial rewards to induce men of ability and ambition to enter the service as a career. The answer to this question involves several other questions of vital

concern to the conduct of American foreign relations. What are the functions of the Foreign Service of the United States? How is American foreign policy likely to be affected by the professionalization of the Foreign Service?

### "THE FOREIGN SERVICE OF THE UNITED STATES."

The Foreign Service is, in the language of the State Department, "The field force for the conduct of the foreign relations of the United States." The Rogers Act of May, 1924 was the culmination of a long series of measures for the reform of the Foreign Service of the United States extending over more than a century. Before the passage of the Rogers Act, American foreign relations were conducted through the diplomatic and consular services, which were two distinct divisions under the direction of the Department of State. The officers in these two divisions were under independent supervision and could not be transferred from one branch of the service to the other. The Act of May, 1924, while preserving the accepted functions of the diplomatic and consular ser-

vices abroad, broke down these water-tight compartments for the purposes of administration, making them coordinate branches of one service under the name of the Foreign Service of the United States. Officers entering the Foreign Service may be assigned either to the diplomatic or to the consular service.

#### **FUNCTIONS OF THE DIPLOMATIC AND CONSULAR SERVICES**

The outstanding difference between the functions of the diplomatic and consular services is that the diplomatic officer represents the general interests of his country, while the consul protects the special interests of its nationals. It is the duty of the diplomatic officer to watch over the maintenance of good relations, to keep his government informed on matters of political importance and to protect American interests in general. The consul is the local agent of his government and deals for the most part with municipal officials. His duties are largely concerned with the protection of special rights and interests of Americans abroad. Mr. Hugh Gibson, United States minister to Switzerland, has made a brief summary of the functions of the diplomatic and consular services which is reprinted in Annex I.

#### **ORIGIN OF THE DIPLOMATIC AND CONSULAR SERVICES**

The diplomatic service was one of the earliest establishments of the Government. During the early period of the American Revolution the diplomatic service was administered by a "Committee of Secret Correspondence" and later by a Committee of Congress appointed for that purpose. The Articles of Confederation established the diplomatic service under the Department of Foreign Affairs. After the adoption of the Federal Constitution, the diplomatic service was established under the supervision of the Department of State. The consular service, as distinct from the diplomatic service, was not established until 1792 when an act was passed "for carrying into full effect the convention between the King of the French and the United States of America, entered into for the purpose of defining and establishing the functions and privileges of their respective consuls and vice-consuls." This Act contained the general provisions which

form the ground-work out of which the present consular system has developed.

#### **CONSULAR AND DIPLOMATIC SPOILS**

The isolation of the United States from international politics after the War of 1812 led to a general neglect and abuse both at home and abroad in the management of both branches of the foreign service. Appointments to foreign posts were made for partisan political reasons rather than for the fitness and the ability of the persons appointed, and remuneration, especially of consular officers, was derived largely from the fees they collected. There were no statutory salaries for consuls. By the application of President Jackson's political dictum that "to the victor belongs the spoils," the diplomatic and consular services of the United States, like all other branches of the Civil Service, became largely governmental institutions for the paying of political debts. The deficiencies of this system were first pointed out in 1833 by Secretary of State Edward Livingston in a report to President Jackson which strongly recommended measures of reform. Although the report was generally disregarded at the time, it later became the basis of reform in both the diplomatic and consular services.

#### **LEGISLATION OF 1855 AND 1856**

It was not until March, 1855 that Congress attempted to improve these conditions by the passage of a law "to remedy the diplomatic and consular systems of the United States." By this Act, Congress attempted to prescribe rates, posts and salaries for both branches of the foreign service, but the effects of the law were nullified by the construction placed upon it by Attorney-General Cushing.

In August, 1856, however, another Act was passed by Congress which established the basis for the present range of diplomatic salaries as applied to ambassadors, ministers and other officers of both the diplomatic and consular service. In the case of the consular service where the chief abuses had been practiced under the spoils system, the Act of 1856 adopted in part the recommendations of Secretary of State Livingston, defined more precisely the duties of consular officers

and attempted to place their compensation upon a salary basis. It further provided for the creation of a corps of consular pupils to be appointed by the President and assigned to consulates in the hope that their training in the service might qualify them for promotion to the higher grades. The condition of these appointments was stated as follows: "Before the appointment of any such pupil shall be made, satisfactory evidence by examination or otherwise shall be furnished of his qualifications and fitness for the office to the Secretary of State, and by him laid before the President." The Act also authorized the President to establish a schedule of official fees and it became the duty of all officers to collect and remit these fees to the Treasury.

#### **THE FIGHT FOR CIVIL SERVICE REFORM**

For almost forty years between 1856 and 1893, there was no important legislation affecting the diplomatic and consular services. In spite of the attempts made by the Act of 1856 to place the services on a salary basis and control the collection of fees, no adequate system of accounting was provided and the list of official fees did not cover all consular activities. Consequently, unofficial fees became an important source of irregularity.

Although important provisions concerning ambassadors and ministers were embodied in an Act of Congress of March 1, 1893, practically nothing was done to improve the conditions in the career service. The first serious attempt to reform the diplomatic and consular services was introduced in President Cleveland's administration in 1895. By making use of the authority granted to the President by the Act of 1856, President Cleveland issued on September 20, 1895 an executive order which greatly limited the opportunities for the abuse of the fee system. An important part of the executive order reads as follows: "For the purposes of this order, notarial and unofficial fees shall not be regarded, but the compensation of the consulate or the commercial agency shall be ascertained, if the office is salaried, by reference to the last preceding appropriation, and if the office is not salaried, by reference to the returns of the official fees for the last preceding fiscal year."

#### **REFORM UNDER ROOSEVELT AND ROOT**

President Cleveland's attempt to reform the diplomatic and consular services was generally disregarded by his immediate successors in office. The next constructive step was initiated by President Roosevelt and Mr. Elihu Root, his Secretary of State. President Roosevelt in 1906 secured the passage of an act which made sweeping changes in the consular service, and Secretary Root by his non-partisan administration of the foreign services set an example which has since been generally followed. By the provisions of the Act of 1906, the consular service was classified under nine headings and consuls-general and consuls were graded according to their posts. A corps of five inspectors and consuls designated and commissioned as consuls-general-at-large was established. Their appointment was to be made by the President, by and with the advice and consent of the Senate, from the members of the consular force possessing the required qualifications of experience and ability. A significant feature of the law was a provision which required that each consulate should be inspected at least once every two years. Among other things the act required:

1. The grading and classifying of the offices, which permitted President Roosevelt to take the constructive step of throwing the service under the operation of the Civil Service law;
2. The creation of inspectors to supervise American consuls; and
3. The requirement of bonds of American consuls and the establishment of a much needed system of uniform accounting which for the most part put an end to the irregularities that had formerly been practiced.

The Congressional Act was promptly followed by an executive order issued by President Roosevelt on June 27, 1906. This order established a Board of Examiners to hold examinations and to pass upon the qualifications of the candidates seeking admission to the service. The Board of Examiners was made up of the Secretary of State or such other officer of the Department of State or the President might designate, the Chief of the Consular Bureau and the Chief Examiner of the Civil Service, or some person

which the Civil Service might designate. The scope and method of the examinations were to be determined by the Board of Examiners but the order explicitly stated certain subjects which were to be included in the examination.

The executive order also set forth the principle that promotions were to be made for efficiency as shown by the work accomplished by the officer, his intelligence, his diligence and general ability for the performance of official duty. This efficiency regulation was limited only by a provision in the last section of the act which stated that, "Due regard will be had to the rule that as between candidates of equal merit, appointments shall be so made as to secure proportional representation of all the States and Territories."

President Taft, upon his accession to office, rigorously enforced the executive order of his predecessor and in November, 1909 issued another executive order conferring similar Civil Service status upon the diplomatic service applying to all positions below the grade of minister. This executive order provided that a careful efficiency record of every officer of the diplomatic service should be kept in order that there might be no promotion except upon well established efficiency records. It also established a Board of Examiners for diplomatic officers along the same lines as those laid down in the executive order of President Roosevelt. In the same year a Deficiency Appropriation Act carried an appropriation for the creation of the office of Director of the Consular Service.

#### THE ACT OF 1915

The changes made in the diplomatic and consular service by Presidents Roosevelt and Taft were given statutory authority by the Act of February 5, 1915. The Act provided:

1. "That hereafter all appointments of secretaries in the diplomatic service and of consuls-general and consuls shall be by examination to the offices of secretary of embassy or legation, consul-general or consul, and not by commission to any particular post, and that such officers shall be assigned to posts, and transferred from one post to another by order of the President as the interests of the service may require."

2. "That secretaries in the diplomatic service, consuls-general and consuls shall be graded and classified according to a set schedule specified in the Act." This classification established five secretarial classes in the diplomatic service, with salaries ranging from \$1,200 a year, in class 5, to a salary of \$3,000 in class 1. Consuls-general were also classified in five categories, with salaries ranging from \$4,500 in class 5 to a salary of \$12,000 in class 1. Consuls were designated into 9 classes, with a salary of \$2,000 for a consul of class 9, to a salary of \$8,000 for a consul of class 1.

3. Provision was made for the appointment of consular and diplomatic officers upon the basis of "demonstrated special efficiency."

4. Authority was given for assignment to duty in the Department of State without loss of grade, class of salary, of any diplomatic secretary, consul-general or consul.

5. Provisions were also included allowing for the payment of subsistence expenses for the officers on special detail, and the extension of the prohibition against engaging in business to all officers in the Foreign Service.

#### THE ROGERS ACT OF MAY 24, 1924

In spite of previous legislation which had as its purpose the professionalization of the foreign service, there were many defects in the organization of the diplomatic and consular services after the war, and a movement was started both in and out of Congress for substantial changes in the organization of both branches. The National Civil Service Reform League took the leadership in this movement by the publication of a comprehensive report in 1919. This desire for the improvement of the foreign services was largely the outcome of the new position in which the United States found itself after the war. Our commercial and economic relations had been greatly extended and the need for consular protection for American interests had multiplied the number of consular officers abroad. The United States had become the leading creditor nation of the world, its foreign trade had increased many times and in addition, the United States was involved in many of the economic and political problems in Europe and other parts of the world. For these reasons the demand for an efficient diplomatic and consular service was imperative.

The main provisions of the Rogers Act, which was passed on May 24, 1924, are as follows:



1. The coordination of the diplomatic and consular branches on an interchangeable basis into a single Foreign Service, under the direction of the State Department, called the Foreign Service of the United States. This was done for the purpose of coordinating the hitherto separate political and economic branches. In addition the Act officially designated all officers below the grade of minister who are subject to promotion on merit, as Foreign Service officers, who may be assigned to duty in either the diplomatic or the consular branch of the Foreign Service at the discretion of the President.

Officers in the Foreign Service are graded and classified, and granted salaries as follows:

* 6% form	Class 1, at	\$9,000 a year
7% form	Class 2, at	8,000 a year
8% form	Class 3, at	7,000 a year
9% form	Class 4, at	6,000 a year
10% form	Class 5, at	5,000 a year
14% form	Class 6, at	4,500 a year
	Class 7, at	4,000 a year
	Class 8, at	3,500 a year
	Class 9, at	3,000 a year
Unclassified	\$3,000-\$1,500	a year

All admissions to the service are to the grade of Foreign Service Officer, unclassified. Appointments in the service are by commission to a class and not to any particular post, and these officers may be assigned to posts or transferred from one post to another by order of the President as the interests of the service require. Foreign Service Officers may be appointed as Secretaries in the diplomatic service or as consular officers, or both, provided that appointments are made by and with the advice and consent of the Senate.

\*Percentages indicate maximum assignments to each class.

The position of Director of the consular service is abolished, and an additional Assistant Secretary of State is created who has general supervision over the Foreign Service. Any officer of the Foreign Service may be assigned for duty in the Department of State without loss of class or salary. These assignments are limited to a period of not more than three years, unless the public interest demands further service.

2. The extension of the principles of the Civil Service Retirement Act to officers of the Foreign Service. This was accomplished by authorizing the President to prescribe rules and regulations for the establishment of a Foreign Service retirement and disability system. This provides briefly for a 5 per cent deduction from the basic salary up to \$9,000 per annum of all Foreign Service officers, which is transferred on the books of the Treasury Department for the credit of the Foreign Service Retirement and Disability Fund.

Foreign Service Officers are eligible to retirement at the age of 65 years provided they have rendered at least fifteen years service. The retirement provisions are also made to apply to ambassadors and ministers who have been appointed from the career service.

That the retirement system provided by the Act compares favorably with the retirement pay of the British consular service is shown by a statement prepared by the Department of State at the time the law was under consideration by the House Committee on Foreign Relations.

Grade of officer	Salary in British service	Representation allowance in British service	House and rent allowance in British service	Total salary and emoluments	Proposed salary in United States service	Maximum pension in British service	Proposed maximum pension in United States
Consuls-General.....	{ 7,299 to \$5,839 }	{ \$1,459 }	{ \$1,216 }	{ \$9,974 to \$8,514 }	{ \$9,000 to \$7,000 }	{ \$4,987 to \$4,257 }	{ \$5,400 to \$4,200 }
Consuls .....	{ 4,866 to 3,893 }	{ 1,216 }	{ 973 }	{ 7,055 to 6,082 }	{ 6,000 to 3,000 }	{ 3,527 to 3,041 }	{ 3,600 to 1,800 }
Vice consuls .....	{ 2,919 to 1,459 }	{ 729 to 486 }	{ 973 to 486 }	{ 4,621 to 2,431 }	{ 3,000 to 2,500 }	{ 2,310 to 1,215 }	{ (1) }
Interpreters, student interpreters, and consular assistants	.....	.....	.....	.....	{ 3,000 to 1,500 }	{ ..... }	{ (1) }

None accruing in this grade.

3. The establishment of a Board of Examiners, composed of the Under-Secretary of State, two Assistant Secretaries of State, and the Chairman of the Executive Committee of the Foreign Service Personnel Board, and the Chief Examiner of the Civil Service Commission, formulate rules and hold examinations for admission to the Foreign Service. While large discretionary powers are allowed the Board in formulating examinations, an executive order provides certain principles for the direction of the Board. These require that the following subjects be included in the examination: "At least one modern language other than English (French, Spanish or German, by preference), Elements of International Law, Geography, the natural, industrial and commercial resources of the commerce of the United States, American History, Government and Institutions, the history since 1850 of Europe, Latin America and the Far East, Elements of Political Economy, Commercial and Maritime Law." The examinations are both written and oral.

4. The creation of a Foreign Service School for the training of Foreign Service Officers. The Rogers Act establishes a Foreign Service School Board composed of the Under-Secretary of State, two Assistant Secretaries of State, the Chairman of the Executive Committee of the Foreign Service Personnel Board, and the Chief Instructor of the Foreign Service School, with powers of supervision over the conduct of the Foreign Service School. The term of instruction is for one year which is considered as a period of probation, during which the new appointees "are to be judged as to their qualifications for advancement and assignment to duty."

#### **AMBASSADORIAL SALARIES**

While the trend of all recent legislation concerned with the Foreign Service has been in the direction of making it possible for young men of ambition and ability to enter the Foreign Service as a career, the small amounts paid to ambassadors and ministers have precluded the possibility of any but wealthy individuals accepting appointments to posts of ambassador or minister in a foreign country. The Rogers Act is no excep-

tion to this trend since it applied only to Foreign Service officers below the grade of minister, and left the salaries of ministers and ambassadors unchanged. The small salaries of American ambassadors and ministers has been the subject of long-standing complaint by American representatives abroad.

John Quincy Adams, in writing to the Secretary of State on July 31, 1815, said: "It is needless to say to you, or to any person having been in the same capacity here, that the annual salary of an American minister is insufficient to support a man with a family—I say not, in the style of high official rank, but in the decency becoming a private gentleman."

#### **TESTIMONY OF JOHN W. DAVIS**

John W. Davis, testifying before the Committee on Foreign Relations of the House of Representatives said:

"No man likes to talk about his private or personal affairs, but you will forgive my doing that because of the facts I have to offer about the conditions. I went to London at a salary of \$17,500. The State Department had been given the right during the war to make an allowance of \$5,000 a year for the purpose of entertaining American officers who were abroad, recognizing that two or three million Americans were coming over there, all of whom had the idea that the ambassador's house was theirs, and that he certainly would have some additional expense, so it allowed \$5,000 for that purpose. At the end of my first year, that allowance was revoked, and after some more or less earnest protest on my part, I think they made it \$3,000 the second year. That was all. I am quite sure that my establishment in London was more modest than that of any other ambassador there. I did not do a great deal of entertaining. I only did the entertaining which was indispensable to return the courtesies which I officially received. Of course, you can not always take and never give. You must entertain the officials of the Government who entertain you to be recognized as on a friendly footing with them.

"I paid as rent for my house \$8,000 in round figures—that is, paid 1,500 pounds sterling, plus rates and taxes, which are the real estate rents on it; which it cost me every year I was there, roughly. There was also a very low rate of exchange which I had in my favor the whole time, the low rate of exchange on the pound sterling, which went once as low as \$3.30 and ran from that to \$4.10 and up and down. Living as I was, without any ostentation—it was

not a time for ostentation, and had I been a multi-millionaire I would not at that particular time, under the circumstances, have indulged in the slightest ostentation whatever; the British people were just coming out of the war, were all distressed, still had the wounds on their persons and were bowed down with financial difficulty, and any man who could have made a display at that time would have made himself unpopular; it was eminently a time for conservatism and quietude—but with all that, living as I was, counting the expenses of myself and family, which is small, it cost me, roughly, three times my salary every year I was there, between fifty thousand and sixty thousand dollars. I do not believe that anybody could possibly have done it, done it decently, with any less expenditure than that. Now, of course that is not fair."

#### AMBASSADOR PAGE'S CRITICISM

Walter Hines Page, who held the same important position at the Court of St. James, in a letter to Colonel Edward M. House, dated February 13, 1914, said:

"Of course I am open to the criticism of having taken the place at all. But I was both uninformed and misinformed about the cost as well as about the frightful handicap of having no Embassy. It's a kind of scandal in London and it has its serious effect. Everybody talks about it all the time: 'Will you explain to me why it is that your great Government has no Embassy: it's very odd!' 'What a frugal Government you have!' 'It's a damned mean outfit, your American Government.' Mrs. Page collapses many an evening when she gets to her room. 'If they'd only quit talking about it!' The other Ambassadors, now that we're coming to know them fairly well, commiserate us. It's a constant humiliation. Of course this aspect of it doesn't worry me much—I've got hardened to it. But it is a good deal of a real handicap, and it adds that much dead weight that a man must overcome; and it greatly lessens the respect in which our Government and its Ambassadors are held. If I had known this fully in advance, I should not have had the courage to come here. Now, of course, I've got used to it, have discounted it, and can "bull" it through—could "bull" it through if I could afford to pay the bill. But I shouldn't advise any friend of mine to come here and face this humiliation without realizing precisely what it means—wholly apart, of course, from the cost of it."

The salaries of ambassadors and ministers of the United States are greatly below those paid by other foreign countries of equal importance. The difference is largely due to the "representation allowances" which are provided ambassadors by most foreign coun-

tries. These allowances cover the expenses of official entertainments, travelling, and practically all other expenditures incidental to the cost of maintaining the diplomatic post. The United States Government has never allowed its ambassadors and ministers representation allowances. A comparison showing the salaries of American and British ambassadors and ministers at important posts is contained in the following table: (Representation allowances are included in the salaries of the British ambassadors).

	Great Britain	United States
Albania .....	\$ 8,515	\$10,000
Argentina .....	43,978	17,500
Austria .....	21,899*	10,000
Belgium .....	26,765*	17,500
Bolivia .....	14,599	10,000
Brazil .....	45,014	17,500
Bulgaria .....	17,032	10,000
Chile .....	23,359	17,500*
China .....	24,332*	12,000*
Colombia .....	14,399	10,000
Cuba .....	19,012	12,000*
Czechoslovakia .....	19,466	10,000
Denmark .....	21,899	10,000
Egypt .....	58,398*	7,500
Esthonia, Latvia and Lithuania .....	18,006	10,000
Finland .....	18,735	10,000
France .....	80,297*	17,500
Germany .....	38,932*	17,500
Great Britain .....	.....	17,500
Greece .....	19,466	10,000
Italy .....	\$38,932*	17,500
Japan .....	29,199*	17,500*
Mexico .....	14,599	17,500*
Netherlands .....	24,332*	12,000
Norway .....	21,899	10,000
Panama .....	15,572	10,000
Persia .....	24,332	10,000
Peru .....	18,102	17,500
Poland .....	27,252	12,000
Portugal .....	19,466	10,000
Rumania .....	19,466	10,000
Serb-Croat-Slovene State .....	18,979	10,000
Siam .....	14,599	10,000*
Spain .....	29,199*	17,500
Sweden .....	21,899	10,000
Switzerland .....	18,248*	10,000
Turkey .....	42,581*	17,500*
United States .....	97,330*	.....
Uruguay .....	20,439	10,000
Venezuela .....	14,599	10,000

\*Residences owned by Government and supplied in addition to salary.

#### HOMES FOR AMBASSADORS

In addition to the representation allowances, most other governments provide their ambassadors and ministers with embassy and legation buildings in foreign countries. Until recently, however, the United States has been extremely reluctant to appropriate

money for this purpose, and American ambassadors and ministers have been forced to rent quarters out of their salary or private income.

Several attempts have been made by Congress to remedy this condition both by providing through special act for the acquisition of property at specific places and through the enactment of a general law known as the Lowden Act, approved February 17, 1911. This act authorized the acquisition of diplomatic and consular buildings subject to such appropriations as Congress might make, but with the important limitation that the maximum cost in any one place should not exceed \$150,000 and that the maximum aggregate expenditure at all places in any one year should not exceed \$500,000. The United States under these statutes has acquired embassy buildings at Constantinople, Santiago, Rio de Janeiro, Havana, Mexico City and Paris, and legation buildings at San José, Panama City, San Salvador, Oslo, Prague, Peking, and also buildings in which to house the consulate general of the United States for China at Shanghai. Recently the United States has acquired a home for its ambassador in London.

#### THE PORTER ACT OF JULY, 1926

In order to remedy this condition, the Porter Bill was passed by Congress on July 16, 1926, appropriating \$10,000,000 for the "acquisition or erection of American government buildings, and embassy, legation and consular buildings" in foreign countries. The most striking feature of the Porter Act is that it provides a lump sum appropriation for the purchase of adequate housing buildings for American representation abroad. The Act authorizes the expenditure of this money by a Commission composed of the Chairman and the ranking minority member of the Committee on Foreign Relations of the House of Representatives, the Secretary of State and the Secretary of Treasury, of which the Chairman of the Committee on Foreign Relations of the Senate is the Chairman.

#### THE FOREIGN COMMERCE SERVICE

Besides the Foreign Service under the supervision of the Department of State the

American Government is represented abroad by several other executive departments. The Departments of Justice and Interior are the only executive branches of the government without foreign representation. The American Government agencies and personnel in all foreign countries is shown in the following table:

Department	Agencies	Personnel
State Department .....	450	3,641
Treasury .....	44	105
War Department .....	27	147
Navy .....	12	57
Agriculture .....	4	12
Commerce .....	41	297
Shipping Board .....	5	120
Tariff Commission .....	1	4
Total .....	584	4,386

The most important foreign representation of the United States outside of the Foreign Service proper is the foreign commerce service maintained under the direction of the U. S. Department of Commerce. The foreign commerce service is under the immediate direction of the Bureau of Foreign and Domestic Commerce, which has been created for the purpose of aiding American commercial interests both at home and abroad, but by far the larger part of its activity has been in the direction of increasing American foreign trade. The increase in the activities of the Bureau of Foreign and Domestic Commerce is one of the important governmental changes which has taken place in the United States since the war. Some idea of the development of the Bureau can be seen from the fact that the budget appropriations for the Bureau have increased from \$874,896.00 in 1921 to \$2,994,064 in 1926. The Department of Commerce now maintains forty-one agencies in foreign countries and a personnel numbering about three hundred. The foreign commerce service, in the words of Dr. Julius Klein, Director of the Bureau "specializes on the one subject of American foreign trade promotion." The Consular Service has a vast series of regulatory and other obligations with reference to American commercial interests whereas the representatives of the Department of Commerce are engaged primarily in the searching out of opportunities for trade, the carrying on of investigations by commercial experts, and the relaying of information back to the United States, so as



to interest American industrial or commercial firms in the opportunities that have been discovered or developed. The functions of foreign representatives of the Bureau of Foreign and Domestic Commerce as summarized by Dr. Julius Klein, Director of the Bureau, for the aid of the Committee on Foreign Affairs of the House of Representatives is represented in Annex II.

#### **THE PROFESSIONALIZATION OF THE FOREIGN COMMERCE SERVICE**

With the rapid growth of the American commercial service abroad it is natural that the officers of the Department of Commerce aspired to a professional status. At present the foreign commerce service is operating without specific legislative authorization, aside from the appropriations made from time to time for the maintenance of the service. It has also been difficult for the Department of Commerce to hold men of ability in the foreign service because of the attractive offers made to them by private banking and business concerns. An effort has been made to remedy this situation by the introduction of a bill prepared in the office of the Secretary of Commerce and introduced into the House of Representatives by Congressman Hoch on December 7, 1925. This bill embodies the constructive proposals of the Department of Commerce for the reorganization and professionalization of the Foreign Commerce Service. The purpose of the bill is to give the Commerce Service definite legislative sanction and to grade its officials according to the following classes: commercial attachés, senior grade; commercial attachés, junior grade; assistant commercial attachés; trade commissioners and assistant trade commissioners. The bill authorizes the Secretary of Commerce to appoint officers of the Foreign Commerce Service but only after eligibility has been determined by examinations held by the Civil Service Commission and the Department of Commerce. The bill follows in general the example of the Rogers Act relating to the Foreign Service by establishing grades and classes with a fixed schedule of salaries. The grades and salaries specified by the Hoch Bill are as follows: Class 1, \$8,000 to \$10,000; class 2, \$7,000 to \$9,000; class 3, \$6,000 to \$8,000; class 4, \$5,000 to \$7,000; class 5, \$4,000 to \$6,000; class 6, \$3,000 to \$5,000; class 7, below \$3,000.

In addition to their regular salary, officers and other employes of the Foreign Commerce Service are entitled to receive the necessary travelling expenses and actual subsistence expenses in an amount not to exceed \$10 a day. The Secretary of Commerce is authorized to promote or demote in any grade or class, or increase or decrease the salary within the range fixed by law, and to discharge officers from the Foreign Commerce Service.

#### **COORDINATION OF COMMERCE AND DIPLOMATIC SERVICES**

The rapid development of the Commerce Service under the Bureau of Foreign and Domestic Commerce has inevitably led to some duplication between the work of the consular division of the Foreign Service and the trade promotion work of the Department of Commerce, and this duplication has led to a certain amount of friction between the two groups of American representatives abroad. As a result it has been proposed that these two groups of American foreign representatives be placed under a single supervisory head — The Department of State, but, in order to bring about a better coordination between the activities of the foreign representatives of the various executive branches of the Government, President Coolidge issued an executive order on April 4, 1924, prescribing regulations for the guidance of the representatives of the countries of the United States and foreign countries. The essential provisions of this order are as follows:

1. Whenever representatives of the Department of State and other Departments of the Government are stationed in the same city in a foreign country they will meet in conference at least fortnightly under such arrangements as made by the chief diplomatic officer. These meetings are for the purpose of securing a free interchange of opinion bearing upon the promotion and protection of American interests.
2. It shall be the duty of officers to furnish in the most expeditious manner for further reference all economic and trade information requested by the ranking officers in the service of other departments of the Government assigned to the same territory. There are certain practical exceptions to this rule.
3. Officers in the same jurisdiction are required to exchange at least fortnightly a complete inventory of all economic and trade reports in preparation or in contemplation and copies of

all economic and trade reports are required to be filed in the appropriate embassy or legation of the United States.

4. Upon the arrival of a representative of any department of the Government of the United States in any foreign territory in which there is an embassy, legation or consulate general, for the purpose of special investigation, he shall at once notify the head of the diplomatic mission of his arrival and the purpose of his visit and it shall be the duty of said officer or of his designated representative, or in the absence of such officer, then the supervising consular officer, to notify, when not incompatible with the public interest, all other representatives of the Government of the United States in that territory of the arrival and the purpose of the visit, and to take such steps as may be appropriate to assist in the accomplishment of the object of the visit, without needless duplication of work.

#### **PROFESSIONAL BUREAUCRACY OR "MILITIA DIPLOMACY?"**

The recent progress that has been made in definitely putting the Foreign Service under the Department of State on a career basis, and the proposals which have been worked out for professionalizing the foreign commerce service raises the very interesting question of the effect of this professionalization upon American foreign policy. The placing of all positions in the Foreign Service upon a career basis so that personal favoritism and political patronage might be removed from the administration of American foreign affairs, if it is properly administered, insures the Government at Washington a staff of technically equipped and capable representatives and their independence and permanence in office will assure continuity to a policy which might otherwise be haphazard. On the other hand, fear has been expressed in some

quarters that these trained diplomats will become the real makers of our foreign policies. Owing their appointments to their own conspicuous ability as determined in competitive examination and being removable only for misbehavior, they will tend in the nature of the case to be unresponsive to public opinion. With highly specialized training and experience, and spending a considerable portion of their time abroad, they get out of touch with the larger considerations in American foreign policy, which rise above technical problems and which need to be considered in the perspective of great statesmanship rather than of tactful and informed diplomacy.

According to some students of international affairs, unless we are perpetually alert and persistently critical, the conduct of American foreign relations may fall into the hands of a skilled and urbane bureaucracy. There still exists, in some quarters, a belief in the principles of Jacksonian democracy, a belief founded primarily in faith in the common, ordinary man to perform the functions of government and diplomacy. According to this opinion, members of our Foreign Service should be regarded in much the same way as our volunteer armies which have in the past been assembled to meet a national emergency. This "militia" diplomacy, while often suffering from inadequate knowledge and untutored manners, it is argued, is likely to be more responsive to public opinion and more fitting for a nation which boasts a popular control of its foreign relations. The purpose of this report, however, is to raise the problem, not to attempt to solve it.

### **ANNEX I**

#### **FUNCTIONS OF THE FOREIGN SERVICE**

##### **Diplomatic Service**

Status fixed by international law and reciprocal custom.

Stationed at capitals only.

Deal with central government through ministry for foreign affairs.

##### **Duties**

##### **1. Treaty relations:**

(a) Negotiation of treaties of amity and commerce, extradition, naturalization, consular rights, etc.

(b) Defense of treaty rights, both commercial and political; for example, protection against discrimination against American products imported into foreign countries; measures designed to hamper American activities in contravention of treaty rights.

##### **2. Information—Political:**

(a) Reports to the Secretary of State on general condition in the country; for instance, impending changes in the government, revolutions, strikes, or other movements which would affect American in-

terests, business, exports, loans, shipping, etc.

(b) Reports on treaties, laws and regulations, their negotiation or enactment and possible bearing on American interests.

(c) Reports on the policies and actions of foreign governments toward the United States and in relation with each other.

#### **Commercial:**

(a) Reports on treaties, laws and regulations which may directly or indirectly affect American commercial interests.

(b) Reports on activities and negotiations of other governments with country of residence.

(c) Reports and comments on political and economic situation in consultation with consul-general and commercial attaché.

(d) Reports on national finance.

#### **3. Promotion and protection:**

(a) Maintenance of equality of opportunity.

(b) Furtherance of American ventures requiring negotiations with central government. Exercise of good offices to avert difficulties and litigation.

(c) Protection of American citizens and interests against unjust or discriminatory treatment. These cases usually taken up at instance of consular officers after they have exhausted efforts to effect direct settlement with local authorities.

#### **4. Maintenance of good relations:**

(a) Interpretation to foreigners of American institutions, ideas, conditions, and aims. Correction of misapprehensions. Accentuation of all grounds of common interest and good understanding. Patient endeavor to adjust conflicting interests and feelings.

(b) Encouragement and assistance to unofficial bodies or persons whose activities are calculated to promote good feeling toward the United States—relief and charitable organizations, learned societies, students, etc.

(c) Intercourse with officials and leading citizens in all walks of life. Relations with colleagues in Diplomatic Corps.

#### **5. Miscellaneous: Granting of passports.**

### **Consular Service**

Status fixed by specific treaties and international usage.

Stationed at various cities throughout the country.

Deal with local authorities.

#### **Duties**

##### **Information—Political:**

(a) Reports to the Secretary of State on conditions in consular district on same subjects covered by Diplomatic Service for the whole country. Copies to the embassy or legation in order to place fullest possible fund of information at disposal of diplomatic representative for his own reports.

(b) Reports to the embassy or legation on all happenings of a political nature in the consular district.

##### **Commercial:**

Reports on trade openings, trade conditions, local finance, current prices, and general commercial activities in the consular district.

##### **Promotion and protection:**

(a) Furtherance of American business interests requiring negotiation or intervention with local authorities. Exercise of good offices to avert difficulties, litigation, etc.

(b) Protection of American citizens and interests against unjust or discriminatory treatment by local authorities. If satisfactory adjustment not secured, cases are generally referred to embassy or legation so that an effort may be made to obtain corrective action by central government.

##### **Maintenance of good relations:**

(a) Same duties in consular district.

(b) Notarial acts.

(c) Alien vise control. Registration of American citizens.

(d) Shipping matters, including settlement of disputes between masters and crews. Relief of seamen.

(e) Estates of deceased Americans.

(f) Arbitration of trade disputes between American and foreign merchants.

(g) In extraterritorial countries, judicial and other functions.

## **ANNEX II**

### **FUNCTIONS OF THE FOREIGN COMMERCE SERVICE**

#### **I. Promotion of Foreign Trade**

##### **A. Assisting firms in entering foreign markets by:**

1. Reporting opportunities for the sale of American goods.
2. Selection of agents.

##### **B. Facilitating trade in foreign markets by analyzing:**

1. Potentialities of the market.
2. Domestic and international competition.
3. Methods of doing business.
4. Itineraries of salesmen.

5. Location of branches.

6. Local habits and customs.

7. Trade catalogues and price lists.

8. Prices—import and export.

9. Credit terms.

10. Exchange.

11. Tariffs and customs dues.

12. Packing.

13. Routing of shipments.

14. Steamship services.

15. Port conditions.

## C. Directing American sales efforts abroad:

1. Mapping out sales campaigns.
2. Making contracts.
3. Cooperation with American trade organizations overseas.

## D. Developing good will for American goods.

## II. Advice in Combating Discrimination Against American Trade Interests Abroad.

1. Piracy of patents and trade-marks.
2. Discriminating taxation and dues.
3. Unfair competition.
4. Misrepresentation.

## III. Facilitation of American Loans and Investments Abroad

## A. Prospective foreign loans.

1. Reports bearing on their soundness and expediency.

## B. Opportunities for investment of American capital in foreign enterprises.

1. Reports on merits of specific enterprises seeking American capital.

## IV. Economic Reporting on Basic Data Affecting Markets for or Competition Against American Exports

## A. Frequent reports by mail and cable on current

developments in the economic situation, actual and prospective, in specified countries as reflected by:

1. Agriculture.
2. Mining.
3. Manufacturing industries.
4. Shipping conditions, rail and water.
5. Labor and wage movements.
6. Banking, central bank and commercial banks.
7. Currency.
8. Exchange.
9. Cost of living.
10. Commodity index figures.
11. Volume of trade, domestic and foreign.
12. Legislation—tariff, industrial, social.
13. Public finance—budget, public debt, currency, taxation.

## V. Economic Assistance to American Embassies and Legations

1. Advice in drafting commercial treaties.
2. In removing foreign trade restrictions.
3. In adjusting trade disputes.
4. On general economic developments.
5. In maintaining close liaison between embassy and American and other trade organizations in specific country.

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